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McCann lands int'l cereals

By Julie Skur Hill

The international joint venture of General Mills and Nestle has served up its cereal account—worth \$30 million to \$40 million in the first year—to McCann-Erickson Worldwide.

The move is the latest sign that the joint venture, formed last December, intends to take on Kellogg Co.'s dominance in the global cereal business.

Cereal Partners Worldwide, based in Morges, Switzerland, was formed to enable the two parent companies to do just that.

Products of the joint venture, which will carry the Nestle name, will be distributed everywhere except the U.S. and Canada, with an emphasis on Europe.

"We're still in the planning stages on what products and what countries will go first," said Craig Shulstad, director of media and financial relations for General Mills in the U.S.

"Look at where Nestle is now, and they're likely to go there first," said a source close to the situation. "This deal was created to combine Nestle's distribution clout and General Mills' expertise in cereals."

When the joint venture was formed, the plan was for the cereals to be manufactured at Nestle plants. Some of the brands, a General Mills source said at the time, could be marketed in the U.S.

But Europe is the focus now.

"France would be a logical market for them to start," said Bertrand Facon, a food analyst at Credit Suisse First Boston, London. "Nestle has a good market share there... and the partnership is cleaning up an old factory on the border between France and Belgium to use."

Last week, Cereal Partners U.K. announced a deal to purchase Ranks Hovis McDougall's cereal business for \$169 million, instantly bringing its U.K. market

(Continued on Page 42)

Ad industry loses hero in Brennan

By Steven W. Colford

WASHINGTON—The resignation of Justice William Brennan from the U.S. Supreme Court may mark the end of a nearly unbroken 14-year string of increasing legal protections for advertising.

Regardless of how his likely successor, Judge David Souter, feels about commercial speech, several legal scholars portrayed the departure of Justice Brennan as a major blow to advertising.

President Bush nominated Judge Souter last week to fill Justice Brennan's seat.

The 84-year-old Eisenhower appointee was considered among the most fervent advocates of granting to commercial speech many of the same constitutional protections enjoyed by political speech.

Lawyer Floyd Abrams, a leading de-

fender of commercial speech, said the impact on advertising of Justice Brennan's resignation is "enormous, almost incalculable."

"No one can serve as a substitute for Brennan," said Mr. Abrams, a partner with the New York law firm of Cahill, Gordon & Rein del. "It is a loss... a major blow regardless of the views of David Souter. Brennan was the leading spokesman on the court for commercial speech, and his influence in that area was far more significant than merely being one vote in nine."

Justice Brennan sided with the majority in what are widely considered to be the two landmark commercial-speech decisions, *Virginia State Board of Pharmacy vs. Virginia Citizens Consumer Council* in 1976 and *Central Hudson Gas vs. Public Service* (Continued on Page 44)



W. Brennan

Supreme Court Historical Society

LAST MINUTE NEWS

FKB in receivership

LONDON—FKB Group last week went into receivership. The troubled marketing services group is now in the hands of two administrative receivers, who said they will sell many of FKB's subsidiaries. FKB owns eight U.S. sales promotion and direct marketing agencies including American Consulting Corp., New York, and QLM Associates, Princeton, N.J. "It came as a surprise to

us," said one FKB director. "We were hoping for continued support."

GGK seeks partner

ZURICH—GGK acknowledged it's looking for a partner and is open to a partial sale. A press report here has identified New York-based BBDO Worldwide as a possible suitor of the Swiss agency, but BBDO denied any discussions with GGK. "I know nothing about it," said Chairman-CEO Allen Rosenshine. BBDO parent Omnicom Group, however, is said to be eyeing formation of a third agency network in

Europe by acquiring all or part of GGK or another independent European agency group (AA, Jan. 29).

Chiat's Caribbean headache

MIAMI—Royal Caribbean Cruise Lines is reviewing its \$30 million account now at Chiat/Day/Mojo, New York, which might be included in the review. Sources said agencies asked to pitch include Avrett, Free & Ginsberg; Geer, DuBois; Levine, Huntley, Schmidt & Beaver; and Lord Einstein O'Neill & Partners, all New York; and McKinney (Continued on Page 8)

INSIDE

News summary
Ad Age's new at-a-glance look at the week's marketing news. See Page 2.

HOT STUFF!



In one of the new Levi's 501 jeans commercials directed by Spike Lee, two Brooklyn youths on the Coney Island boardwalk demonstrate their ability to talk backwards. Mr. Lee is heard but not seen. Spots break in August via Foote, Cone & Belding, San Francisco. See story on Page 44.



The first corporate image campaign for Reebok by Hill, Holliday, Connors Cosmopolis, Boston, shows regular people participating in track and field events, dance rehearsals, tennis, basketball and other sports. Theme line is "It's time to play." See story on Page 41.

NEWS SUMMARY

■ **Cereal Partners Worldwide**, an international joint venture of General Mills and Nestle that will compete against cereal leader Kellogg Co., named McCann-Erickson Worldwide as its agency. 1

■ **Legal protection for advertising** is losing a strong advocate with the retirement of U.S. Supreme Court Justice William Brennan. 1

■ **Television viewing** returned to more normal patterns in the second quarter, according to A.C. Nielsen figures, following significant drops earlier in the year. 3

■ **Mitsubishi Corp.** established a house agency in Japan, leading to speculation that Mitsubishi and other large Japanese trading companies will become important factors in the agency business. 3

■ **Saatchi & Saatchi Co.** isn't planning to sell its agency or communications units, its chief executive says. But it may make some real estate deals. 3

■ **"Woman's Day"** was taken off the market by Diamond Communications Inc., indicating a weakness in the women's magazine field. Another indication: Conde Nast folded *Woman* magazine. 4

■ **Xerox Corp.** moved its \$25 million account from Backer Spielvogel Bates to Young & Rubicam, whose successful pitch was themed "Putting it together." 4

■ **US Sprint**, the No. 3 long-distance telephone marketer, will start a new TV campaign next month. 6

■ **Gerber Products Co.** will market Juice & More juice drink, aimed at adults, starting in October with a \$16 million introductory campaign. 12

■ **Pizza Hut** is tying in with the October video release of "Teenage Mutant Ninja Turtles." The video will carry a Pizza Hut commercial and will be packaged with a \$20 coupon discount book. 14

■ **Timex Corp.'s** new print campaign will feature people who've had strange or unusual experiences. 15

■ **The facial skincare** market will see new entries into the \$600 million segment in the fall from Oil of Olay, Revlon and perhaps Andrew Jergens Co. 18

■ **Environmental practices** of companies can affect their sales, according to a New York state consumer survey by Century Research Corp. 19

■ **The European Advertising Tripartite** will lead the battle against proposed European Community ad restrictions. Earlier, there were calls for a new organization to coordinate ad industry efforts. 30

■ **Reebok International** is expected to put \$20 million during the back-to-school period behind its new ad campaign, themed "It's time to play." 41

■ **CBS and NBC** are using radio advertising to lure younger TV viewers to their new fall lineups. 46

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Furor over PGA site sinks golf sponsors

Major advertisers map TV pullout

By John McManus

Shoal Creek is just the beginning.

As advertisers agonized late last week over whether to abandon telecasts of the PGA Championship from Shoal Creek Country Club, they faced a startling reality: When it comes to program content, golf tournaments can explode with as much force as "Married... With Children."

The issue blew up when Hall Thompson, founder of the Birmingham, Ala., country club, told *The Birmingham News* last month that club members could choose with whom they wanted to associate and that the club wouldn't be pressured into admitting blacks.

The remarks by Mr. Thompson, who's since apologized, brought threats of picketing and boycotts of the event by the Rev. Abraham Woods, president of the Birmingham chapter of the Southern Christian Leadership Conference.

As a result, at least six companies were working to withdraw or reduce their advertising commitments to the ABC and ESPN telecasts: IBM Corp. (ABC); American Honda Motor Co.'s Acura division, Anheuser-Busch and Spalding Sports Worldwide (all ESPN); and Toyota Motor Sales USA and Sharp Electronics Corp. (both ABC and ESPN).

Delta Air Lines and Eastman Kodak Co. planned to drop or curb their on-site presence at Shoal Creek, while United Airlines and USF&G Co. were evaluating whether to stick with the ABC broadcast.

By July 27, ABC Sports Senior VP Steve Solomon reportedly estimated the toll of the pullout at close to \$2 million. Before the withdrawal, ABC's ad revenue was projected at \$8.4 million and

ESPN's take at \$850,000. ABC, the network of the PGA Championship for 25 years, has paid \$3.5 million for TV rights this year.

On July 26, Birmingham Mayor Richard Arrington announced after meetings with Shoal Creek officials that the club had pledged it would start admitting black members. He asked advertisers to reconsider their positions.

One ad agency executive whose clients had committed to buy time on the Aug. 9-12 telecasts said ABC may yet be able to quell advertiser worries and recover some

Nearly half of the 39 events on the men's PGA Tour are played at country clubs with no black members.

or all of them in time for the event.

"Even the ones that are out are really not necessarily out for good," the agency source said. "ABC is talking to us, and because the Shoal Creek situation has been resolved, some of the names will be back in."

But at least one marketer stands by its decision.

"American Honda believed it was a sound business decision to withdraw from the telecasts," said spokesman Bob Butorac. "It goes with our policies as an equal opportunity employer. As for other televised tournaments, we plan to be consistent" in applying the decision.

Although the losses for this tournament may not be huge, the impact of the boycott extends far into the marketing community.

"This raises a whole lot of issues for televised professional

golf," said Louis Schultz, exec VP-director of media services at Lintas:USA, New York. "Most tour events are held at private clubs, and private clubs by their nature bar someone. One has to be concerned about ones that have suspect membership practices, but it's so hard to tell."

"The other thing you have to weigh out is the millions of dollars in charities these events raise. It's all open to question now."

National and local marketers spend more than \$100 million annually on advertising, sponsorship and licensing tied to nationally televised golf events held at private clubs and other golf courses.

ABC, CBS, NBC and cable operations like ESPN, USA Network, Turner Broadcasting System, SportsChannel America and Prime Network all televise golf events.

The Charlotte (N.C.) Observer has reported nearly half of the 39 events on the men's PGA Tour are played at country clubs with no black members. And many of the host sites of the women's professional golf circuit, the LPGA Tour, don't permit women members.

Golf Digest says 75% of U.S. private clubs have similarly exclusionary membership practices.

"I think exclusionary membership practices are a consideration for all of professional golf and the entire advertising community," said Robert Watson, director-advertising services and public relations for AT&T Co., which didn't participate in the PGA Championship but is a frequent advertiser in PGA Tour events. "When there's a threat of a boycott, advertisers are going to be concerned." □

Contributing to this story: Wayne Walley, Alison Fahey, Ira Teinowitz, Jennifer Lawrence and Raymond Serafin.

Eurocom wants U.S. agency

By Laurel Wentz

PARIS—Eurocom's next big step toward achieving its goal of becoming the only French-based major global agency network will be a U.S. acquisition by yearend.

"We have to be in the top 10 in the U.S.," said Pierre de Plas, Eurocom's VP-director general. "We have to double our size; we probably need [to buy] more than one agency."

Mr. de Plas said any agencies bought would be merged with Della Femina, McNamee, New York, to boost that agency's ranking to within the top 10. Della Femina, McNamee now ranks No. 20.

An agency source said a Eurocom buy is imminent.

Mr. de Plas said the French holding company will stick to its plan to develop Eurocom WCRS Della Femina Ball, Della Femina's parent, as its major network.

Eurocom also owns 33% of HDM Worldwide.

Mr. de Plas believes using two separate networks doesn't work.

Unlike other agency holding companies with more than one network, however, HDM isn't dependent solely on Eurocom, he said.

EWDB was formed after Eurocom last December bought a majority of the WCRS Advertising Worldwide network and linked it with Della Femina in the U.S. and the Ball Group in Asia.

Eurocom currently owns 60% of EWDB but will increase its stake to 100% over the next several years. Eurocom's partners in HDM are Young & Rubicam, New York, and Tokyo-based Dentsu.

Mr. de Plas said he believes there will be within five to 10 years "one French network, one Japanese and three to five U.S. or U.K. networks, and that's it."

He's intent on making sure Eurocom is the sole French network and said Eurocom is willing to invest to make that happen. The network is nearly complete in Europe, he said, and the main investment now must be in the U.S.

Agency sources said they believe Eurocom will eventually bid for

Backer Spielvogel Bates Worldwide.

Mr. de Plas said only that he hopes to make a deal by yearend and denied Eurocom would buy Backer.

Eurocom is looking for purchases that would together be about the same size as Della Femina, McNamee. Last year, Della Femina, McNamee reported gross income of \$87.8 million on billings of \$728.7 million.

Mr. de Plas said Eurocom is targeting agencies either in New York or Los Angeles.

He denied that one candidate is San Francisco-based Hal Riney & Partners, an agency that's been considered a likely target.

Simultaneously, EWDB is seeking to expand its below-the-line service businesses worldwide. With its European public relations network complete, Eurocom could eventually go into the U.S. and Far East, Mr. de Plas said.

In sales promotion, he said, Eurocom hasn't made much progress yet. □

'Tracy' nabs recall

Movie's ads arrest viewer attention

By Kate Fitzgerald

All the money being put into movie marketing is starting to pay off.

For the first time in recent memory, a movie—Walt Disney Co.'s "Dick Tracy"—was noted by the adWatch survey for having some of the best recalled ads.

Ads for "Dick Tracy" were the 13th best-recalled advertising in the June adWatch survey, conducted for *Advertising Age* by the Gallup Organization.

The estimated \$10 million to \$12 million campaign for the movie, playing up the roles of Warren Beatty as "Dick Tracy" and Madonna as "Breathless Mahoney," broke in late May, and the film opened June 15. TV, print and promotions, created in-house by Disney in conjunction with Western International, Los Angeles, supported the introduction.

Helping keep the "Dick Tracy" name top-of-mind, McDonald's Corp. on June 8 began the "Dick Tracy Crimestopper Game" with

\$40 million in prizes and more than \$10 million in network and spot TV ad support. Leo Burnett USA, Chicago, handled advertising; Simon Marketing, Los Angeles, and Frankel & Co., Chicago, handled the scratch-card game and point-of-purchase material.

Meanwhile, Miller Brewing Co. has returned to the adWatch top 10 after a four-month hiatus, scoring sixth overall in the survey for its Miller High Life, Draft and Miller Lite brands.

Miller's appearance on the list—its first since January—was due to summertime promotions including the humorous "Tour de Lite" TV campaign featuring celebrities as diverse as Woody Harrelson of NBC's "Cheers" and the rap group Run-D.M.C. in a bogus bike race across the U.S. Backer Spielvogel Bates, New

York, handles.

Also, Miller heaved the TV budget for its "Buy that man a Miller" campaign via Leo Burnett USA, Chicago. The brewer has maintained support of Genuine Draft in various executions from Backer.

Coca-Cola for the second month in a row won the No. 1 spot for best unaided recall, with Pepsi-Cola immediately behind in the No. 2 spot. Pepsi was No. 1 in March and April, and only Pepsi has been among the top three overall advertisers each month in 1990.

Ford held onto its No. 3 position for the fifth straight month, with Chevrolet and McDonald's tied for fourth place.

In an unusual three-way split, adWatch's No. 7 spot in June was crowded by AT&T Co., Anheuser-Busch's Budweiser and general grocery store ads.

For AT&T, that position is familiar territory, since it also placed seventh in the last survey, but Budweiser slid three notches to that spot after tying for fourth

AdWatch survey of advertising awareness Top 10 for June

In June, 1,000 people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertising first comes to mind? Source: Gallup Organization, Lincoln, Neb.

Rank	6/90	5/90	Advertiser	Agency
1	1	1	Coca-Cola	McCann-Erickson Worldwide
2	2	2	Pepsi-Cola	BBDO Worldwide
3	3	3	Ford	J. Walter Thompson USA
4*	4*	4*	Chevrolet	Lintas:Campbell-Ewald
4*	6	6	McDonald's	Leo Burnett USA
6	—	—	Miller/Miller Lite	Backer Spielvogel Bates/Leo Burnett USA
7*	7	7	AT&T	N W Ayer/Ogilvy & Mather/Young & Rubicam
7*	4*	4*	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles
7*	—	—	Grocery stores	—
10*	10*	10*	Tide	Saatchi & Saatchi Advertising
10*	9	9	Nike	Wieden & Kennedy

*Indicates tie.

place in May with Chevrolet.

Procter & Gamble Co.'s Tide detergent and Nike clung to the No. 10 spot in overall recall; the recent survey didn't include the athletic shoe marketer's latest Bo Jackson campaign featuring "Multiple Bos," which broke July 8 via Wieden & Kennedy, Portland, Ore.

In the most recent survey, Chrysler dropped out of the top 10 after a three-month ride, and

Toyota also disappeared after two months in the top 10.

AdWatch is a joint project of *Ad Age* and the Gallup Organization. Advertising awareness is measured by asking a nationally projectable sample to name the first advertising that comes to mind from all seen, heard or read in the previous 30 days.

Last month, 1,000 adults were polled by phone. The margin of error is plus or minus 3.1%. □

Plantation Lite sugar blend tests in East

By Judann Dagnoli

A tiny New York state marketer is hoping to reap sweet rewards from a new light sugar product.

U.S. Sugar Co., a \$25 million Buffalo company unrelated to Florida's giant sugar processor of the same name, this month starts testing Plantation Lite all-natural light sugar blend.

Believed by U.S. Sugar to be the first of its kind, Plantation Lite is made of pure sugar and a natural blend of crystallized dextrose and fructose. The blend contains 12 calories per teaspoon, 25% less than pure sugar's 16 calories. U.S. Sugar wouldn't reveal the percentage of sugar in Plantation Lite.

The product is designed as both a tabletop sweetener and a baking ingredient, though the company

doesn't recommend it for preparing meringue, brownies and certain hard candies, said Marketing Director William McDaniel Jr.

Plantation Lite is being tested in western New York, Pittsburgh and Erie, Pa., three of the company's strongest markets for its flagship regular sugar product, called U.S., he said. The target audience is health-conscious adults ages 25 to 54.

Mr. McDaniel said Plantation Lite will compete in the \$1.5 billion granulated sugar category and against sugar substitutes, estimated to be a \$1 billion market.

U.S. Sugar currently has 1% of the highly regionalized pure sugar market, distributing its regular sugar only east of the Mississippi River. Other players include much larger regional marketers such as

Amstar Sugar Corp., California & Hawaiian Sugar Co., Savannah Foods & Industries and Imperial Holly Corp.—each with more than \$500 million in sales.

But U.S. Sugar has high hopes for Plantation Lite. Mr. McDaniel said the product could become "the first national brand" of sugar blend.

Its closest rival now on the market, he said, is NutraSweet Co.'s Sugar Delight, which has limited distribution. The NutraSweet product is 99% sugar and 1% aspartame. Sugar Delight has 8 calories per serving but isn't heat stable, so it can't be used in baking. Because aspartame is much sweeter than sugar, a serving of Sugar Delight—somewhat less than a teaspoon—has a sweetness equivalent to 1 tea-

spoon of sugar.

U.S. Sugar won't be able to match the potential spending might of Sugar Delight, handled by J. Walter Thompson USA, Chicago. Mr. McDaniel said his company can't afford TV advertising yet and instead is opting for a six-

week regional radio campaign that ends in mid-August.

The testimonial campaign, created in-house, re-creates comments from consumers in focus groups. Free standing inserts, offering 25¢ off the product, support. □

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